



Senate

General Assembly

File No. 94

February Session, 2016

Senate Bill No. 202

Senate, March 21, 2016

The Committee on Veterans' Affairs reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING VETERANS' PROPERTY TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) and (b) of section 12-81f of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 *(Effective October 1, 2016, and applicable to assessment years commencing on*
4 *and after October 1, 2016):*

5 (a) Any municipality, upon approval by its legislative body, may
6 provide that any veteran entitled to an exemption from property tax in
7 accordance with subdivision (19) of section 12-81 shall be entitled to an
8 additional exemption, provided such veteran's qualifying income does
9 not exceed (1) the applicable maximum amount as provided under
10 section 12-81l, or (2) an amount established by the municipality, not
11 exceeding the maximum amount under said section 12-81l by more
12 than twenty-five thousand dollars. The exemption provided for under
13 this subsection shall be applied to the assessed value of an eligible
14 veteran's property and, at the option of the municipality, may be an
15 amount up to [ten] fifteen thousand dollars or an amount up to ten per

16 cent of such assessed value.

17 (b) Any municipality, upon approval by its legislative body, may
18 provide that any veteran's surviving spouse entitled to an exemption
19 from property tax in accordance with subdivision (22) of section 12-81
20 shall be entitled to an additional exemption, provided such surviving
21 spouse's qualifying income does not exceed (1) the maximum amount
22 applicable to an unmarried person as provided under section 12-81l, or
23 (2) an amount established by the municipality, not exceeding the
24 maximum amount under said section 12-81l by more than twenty-five
25 thousand dollars. The exemption provided for under this subsection
26 shall be applied to the assessed value of an eligible surviving spouse's
27 property and, at the municipality's option, may be in an amount up to
28 [ten] fifteen thousand dollars or in an amount up to ten per cent of
29 such assessed value.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-81f(a) and (b)

VA Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	Grand List Reduction	None	Potential

Explanation

The bill increases, from \$10,000 to \$15,000, the maximum property tax exemption a municipality may offer a veteran who: 1) is eligible for the mandatory base property tax exemption set by statute, and 2) meets certain income requirements.

A municipality that currently provides this optional exemption would experience a grand list reduction that would vary based on: 1) the number of eligible veterans living in the municipality, and 2) the level to which the municipality increases its exemption. A grand list reduction results in a loss of tax levy, given a constant mill rate.

At the average statewide FY 16 mill rate of 29.30, an eligible taxpayer would save \$146.50 under the bill's provisions, if the exemption offered by the municipality increased from \$10,000 to \$15,000. There are 144,500 veterans that receive the mandatory base property tax exemption. It is not known how many of these veterans would be impacted by the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal grand lists and mill rates.

OLR Bill Analysis**SB 202*****AN ACT CONCERNING VETERANS' PROPERTY TAXES.*****SUMMARY:**

By law, veterans and their surviving unmarried spouses are eligible for state-mandated property tax exemptions (see BACKGROUND). A municipality, with its legislative body's approval, may provide an additional property tax exemption to them if their income does not exceed a specified amount. This bill increases, from \$10,000 to \$15,000, the amount a municipality can provide as an additional exemption.

By law, a municipality may (1) choose to exempt up to 10% of the property's assessed value rather than a dollar reduction and (2) establish an income limit of up to \$25,000 more than the state-mandated exemption limit. The state-mandated exemption income limit is annually updated by the Office of Policy and Management (OPM) to reflect the amount of the Social Security Administration's cost-of-living adjustment. For the 2015 tax year, OPM set the income limits at \$35,200 for unmarried veterans and \$42,900 for married veterans (joint income).

EFFECTIVE DATE: October 1, 2016, and applicable to assessment years beginning on and after that date.

BACKGROUND***Property Tax Exemption Eligibility***

Veterans. The state-mandated veterans property tax exemption is available to state residents who are veterans of the U.S. Armed Forces (Army, Navy, Marine Corps, Coast Guard, and Air Force and any reserve component of these branches, including the Connecticut National Guard performing duty under Title 32 of federal law) and have served 90 days in a time of war, as shown in Table 1 (CGS § 12-81(19)).

Table 1: Service in a Time of War

Operation	Date	Service Condition
World War II	12/07/1941-12/31/1947*	Active service during the war
Korean War	06/27/1950-01/31/1955	Active service during the war
Lebanon Conflict	07/01/1958-11/01/1958 or 09/29/1982-03/30/1984	Combat or combat-support role in Lebanon
Vietnam Era	02/28/1961-07/01/1975	Active service during the war
Grenada invasion	10/25/1983-12/15/1983	Combat or combat-support role in Grenada required
Operation Earnest Will (escort of Kuwaiti tankers flying U.S. flag in Persian Gulf)	07/24/1987-08/01/1990	Combat or combat-support role required in the operation
Panama invasion	12/20/1989-01/31/1990	Combat or combat-support role required in the invasion
Persian Gulf War	08/02/1990 until a date prescribed by the President or law	Active-service anywhere during the war (not necessarily in the Persian Gulf or in a combat role)

*Ending dates specified in [CGS § 12-86](#) for property tax exemptions.

Additionally, World War II veterans of certain allied armed forces are also eligible if they (1) were a U.S. citizen at enlistment and received an honorable discharge or (2) have been a U.S. citizen for at least 10 years and participated in armed conflict with an enemy of the United States.

Surviving Spouses. A property tax exemption is available to an unmarried surviving spouse of a deceased veteran that qualified for the state-mandated exemption described above. The deceased veteran must have died either during his or her term of service or after receiving an honorable discharge (CGS § 12-81(22)).

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 13 Nay 0 (03/03/2016)